EXHIBIT 74
REDACTED

Message

From: ████████████@google.com]
Sent: 4/30/2015 10:46:51 PM
To: ████████████@google.com]
CC: ████████████@google.com]; ████████████@google.com]; ████████ ████████████@google.com]
Subject: Re: [drx-pm] Re: ████████ meeting notes - April 30th

- others, PM only

Note that our dynamic RPO is fully launched on AdX. It uses the auction discount discussed here - the typical bid closes at ████████████. The typical ████████████. RPO changes that a little and adds ████ (annualized) to pubs. However, as discussed here, there is a risk of buyers reacting - we are assessing that at the moment and will do broader announcements once that is done. See also ████████████

On Fri, May 1, 2015 at 7:29 AM, ████████████@google.com> wrote:

Other than for ████████ we are as close to a 2nd price auction as you can get. This excludes the recent work on dynamic rev share.
Smarter buyers such as ████████████ do some experimental bidding. ████ does adapt based on exchanges but even ████████ just bids fair value and arbs the delta from FV to winning price.
████

Sent from my Android Nexus so please excuse any typos.

On Apr 30, 2015 4:31 PM, ████████████@google.com> wrote:
It is also not clear how many AdX buyers are strategic bidders, versus just bidding fair value. I've also been told that there are also some technical details of our auction that mean it doesn't meet the standards of being a true 2nd-price auction in terms of bidder behavior over time. But I'm not the expert so may have misunderstood.

-- ████████████
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On Thu, Apr 30, 2015 at 3:28 PM, ████████████@google.com> wrote:
The issue is that were the only exchange running a 2nd price auction. All the others have flipped to modified versions designed to maximize yield due to low density or large deltas between 1st and 2nd price. The other SSPs are always pub first and will optimize as much as they can until buyers stop bidding at all. This has been going on for a few years and sadly very few buyers have adapted to bidding fair market value instead of a common bid across any exchange.

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On 30 April 2015 at 15:13, ████████████@google.com> wrote:
> pubs see the big delta between 1st and 2nd price and want to capture that value.
Doesn't that undermine the whole idea of second price auctions? I.e. the assurance that you can bid the maximum you're willing to pay with no negative consequence. But if the publisher manufactures a floor price based on your bid to get you to pay more than the second price, this principle gets violated. It'll transform the system into a 1st price auction where the bidder has a strong incentive to bid LESS than he's willing to pay. (Only just enough to win.) I don't think that's desirable for either side in the long term.

On Thu, Apr 30, 2015 at 1:44 PM ████████████████ @google.com> wrote:
To ████████████ point, pubs see the big delta between 1st and 2nd price and want to capture that value. Looking at bid data, running experiments, etc. allows pubs to carve off small sections of inventory and create a new min to capture some additional value. If taken to the extreme (possible via an API) you get pubs creating 300+ rules and updating the mins hourly.

On Thu, Apr 30, 2015 at 1:35 PM, ████████████████ @google.com> wrote:
I've been told that there is often quite a wide spread between the first and second price in the auction, so soft floors allow a publisher to get closer to the first-price. This is the idea between putting in multiple SSPs against each other -- try getting $1.50 with ████████, if nobody bites try getting ████████████, if that fails fall back to AdX with no min. This can work because the buyers don't seem to really care where the inventory comes from / don't have a good way to figure out the same query might be available for less from someone else in a moment. It happens to be really bad for the user b/c of latency, but it is really hard to prove that the extra latency causes long-term value drops worse than the incremental revenue lift from the competition.

On Thu, Apr 30, 2015 at 12:43 PM, ████████████████ @google.com> wrote:
Just to respond to ████████ point.

"""
Naive question: why do publishers want to set floors programmatically? Aren't floors revenue negative?
"""

Although 90% of the time publisher have too high floors and decreasing them would increase AdX revenue I've worked with ████████ a year ago to take their 0p floors and increase them in small increments and we saw a big increase in Revenue (I forget exactly but ████████)- so anecdotal evidence but still.

I wouldn't recommend to a publisher to have 0 floors and we see more and more people increasing floor pricing on different demand (Eg. buyer's, formats) and increasing yield overall in their account.

I reckon there is a bit of a unfair feeling with publishers as well, why does the buyside get to optimise bidding strategies automatically and I have to hire 3 stats majors to optimise my floor pricing.
(████████████████████ where they hired a Maths grad who had spend time in trading in the bank sector for this very reason)

Thanks,

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